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Date: 2nd September, 2016

Dear Sir/Madam,

Cabinet - 7th September, 2016

I refer to the meeting of Cabinet on Wednesday 7th September, 2016 and attach the report - Capital Programme 2016/17 Update which was marked "to follow" on the agenda.

The General Fund and Housing Revenue Account Quarterly Budget Monitoring Report 2016/17 will follow shortly.

Yours faithfully,

ALAN FRANKS

Managing Director

To: Members of Cabinet

Councillor D. Harvey	(Finance and Civic Affairs (Leader))
Councillor J.A. Jackson	(Housing (Deputy Leader))
Councillor D. Aldington	(Planning and Development)
Councillor I.K. Lloyd	(Arts and Leisure)
Councillor G.D. Pomfrett	(Central Services)
Councillor B.J. Longden	(Health and Environment)

CABINET

Report Summary Sheet

Date: 7th September 2016

Subject: Capital Programme 2016/17 Update

Portfolio: Finance and Civic Affairs (Councillor D Harvey)

From: Director of Finance & Procurement

Summary: To request amendment to the General Fund and Housing Revenue Account Capital Programmes.

Recommendations:

That it be recommended to Council that the proposed updated GF and HRA capital programmes be approved.

Reasons: The Council must approve budget proposals.

Options: Approve none of the proposed additions, part of the proposed additions or all of the proposed additions to the capital programmes.

Subject to call-in: No – Due to urgency of the requirement to set a budget to commence the HEART shared service in readiness for 1st October start date.

Forward plan: Yes

Corporate priorities:	Aim 4
Relevant statutes or policy:	None

Equal opportunity implications:	None
Human resources implications:	None
Financial implications:	Included throughout the report
Health Inequalities Implications:	None
Section 17 - Crime and Disorder Implications:	None
Risk management implications:	The Council takes a risk based approach to setting its budget and the appropriate level of reserves held to fund projects. Risk implications for specific projects are detailed in the report.
Environmental implications:	None
Legal implications:	None

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NUNEATON AND BEDWORTH BOROUGH COUNCIL

Report to: Cabinet - 7th September 2016

From: Director – Finance and Procurement

Subject: Capital Programme Update 2016/17

Portfolio: Finance and Civic Affairs (Councillor D Harvey)

1. Purpose of Report

- 1.1 To approve the updated Capital Programmes for 2016/17, taking into account new project requests and updates to existing projects.

2. Recommendations

- 2.1 That it be recommended to Council that the proposed updated General Fund and Housing Revenue Accounts capital programmes as detailed in Appendix A be approved.

3. Introduction

- 3.1 Both the General Fund and Housing Revenue Account capital programmes were approved by the Cabinet and full Council on 17th February 2017 with an early update presented and approved by Cabinet on 15th June 2016 to include amounts re-profiled from 2015/16. This latter report was also approved by full Council.
- 3.2 As the year has progressed, a number of new schemes have been put forward for consideration and a small number of existing schemes require additional resources following tender exercises and scheme reviews.

4. General Fund Capital Programme Update

- 4.1 The current approved General Fund Budget is £8.082m and it is requested that it is increased by £1.533m specifically to deliver the following projects;
- 4.2 ***Early Purchase Scheme – Camp Hill:*** This project budget is to acquire private sector houses in the Phase 3 development zone ready for demolition and redevelopment. Eight properties have been identified as ready for acquisition and demolition and this process has previously met with approval from residents of the area who had raised concerns

regarding quality of life. To complete this process an increase to the existing budget of £780k is requested which will include purchase costs, compensation, security and demolition. These costs are fully financed from capital receipts received from Barratts who pay a fixed sum to the Council for each completed sale. The acquisition and demolition process would only commence on sufficient capital receipts being available to fund the costs to protect the Council's resources and reduce any financing risk.

- 4.3 **Town Centre Improvements:** Subject to approval of a separate item on this Cabinet agenda, a budget of £200k is to be created to deliver the scheme as detailed in that report. This is to be financed from the General Capital Earmarked Reserve.
- 4.4 **Pool Bank Road Garages/ Car Park Works:** Following the murder in the Pool Bank recreation ground/ Meadow Court area in November 2015, a multi-agency meeting was established to look at improvements that would make the area safer for residents and restore community confidence. In January 2016, Warwickshire Police conducted a survey of the area and produced a problem solving plan. The document highlighted that the garages located at Pool Bank car park was a problem area where youths would congregate. This caused problems with visitors, people arriving for the Abbey Theatre and the Army Cadets centre. The proposal was to demolish the existing garages and convert the space into additional parking spaces.
- 4.5 The demolition costs are being met from within the existing HRA budgets, however, it is requested that a budget of £83k be created to support the conversion to car parking spaces. This can be met from £5k capital receipts already held, £5k earmarked reserve set aside from LSP award and £73k from the General Capital Reserve. It is also estimated that this would generate additional revenue car park income of approximately £7k to £9k per annum and this will be considered as part of the budget exercise for 2017/18.
- 4.6 **Aids & Adaptations + Warmer Safer Homes (HEART):** A report was considered by the Cabinet on 15th June 2016 which presented the business case for establishing a shared service with Warwickshire local authority partners to deliver disabled facilities grants and adaptations and other improvements to residents. This was also considered and approved by Full Council on 13th July 2016.
- 4.7 The HEART shared service, to be hosted by Nuneaton and Bedworth Borough Council, is scheduled to "go-live" from 1st October 2016 for the north of the borough (i.e. Nuneaton & Bedworth plus Rugby and North Warwickshire Borough Councils) and therefore to ensure that there is sufficient capital budget available to deliver the shared arrangements, a provisional budget is to be set to include 50% of the grants awarded to Rugby and North Warwickshire Councils. This equates to £395k for Aids and Adaptations and £75k for Warmer Safer Homes. Following the

commencement of the shared service arrangement, a full reconciliation of the spend incurred up to the end of September by the other two scheme participants will take place with the remaining unspent grant allocations transferred to Nuneaton & Bedworth Borough Council. A final budget update will be required following these reconciliations and this will be included within the Treasury Management mid-year review report due to be presented to the Cabinet and Council in November or December of this year.

4.8 **Unit 1 & 2 Gresham Road:** It is likely that the current budget of £610k to complete the fitting out of the new depot facility will not be sufficient and an increase in budget will be required. However, at the present time the actual additional amount required is unknown. The Council will be utilising a procurement framework for minor works which allows for contract values of between £350k and £2m. Therefore, a report will be presented to the Cabinet at a future date to advise of the budget increase required to ensure that the new depot facility can become operational in line with our expected timescales. It is envisaged that these increase in costs can be financed from the capital receipts received from the sale of the Council House and the existing depot site at St Mary's Road.

4.9 **Summary:** The following table summarises the additional budget requests and financing:

General Fund	Existing Capital Budget	Additional Resources Requested	Revised Capital Budget
Total Budget	£8,081,500	£1,533,000	£9,614,500
Financed by:			
External grants and contributions	£2,767,060	£470,000	£3,237,060
Capital Receipts	£665,650	£785,000	£1,450,650
Earmarked Reserves/ General Fund Revenue	£4,038,790	£278,000	£4,316,790
Prudential Borrowing	£610,000	-	£610,000
Total Financing	£8,081,500	£1,533,000	£9,614,500

5. Housing Revenue Account Capital Programme Update

5.1 The current approved Housing Revenue Account programme budget is £9.520m and it is requested that it is increased by £356k specifically to deliver the following project;

5.2 **Vehicle Replacement Programme:** The outturn for 2015/16 for this project reported an underspend of £356k of which only £100k was re-profiled into the 2016/17 budget. A review of the service delivery needs and the vehicle specifications has resulted in the full amount of the previous year underspend being required plus an additional £100k.

Therefore it is proposed that the budget be increased by £356k to £456k to allow the procurement of the required vehicles to continue. This can be funded from the HRA capital reserve.

- 5.3 **Summary:** The following table summarises the additional budget request and the financing:

Housing Revenue Account	Existing Capital Budget	Additional Resources Requested	Revised Capital Budget
Total Budget	£9,520,000	£356,000	£9,876,000
Financed by:			
Major Repairs Reserve	£6,965,000	-	£6,965,000
Capital Receipts	£338,670	-	£338,670
Earmarked Reserves/ HRA Revenue	£2,216,330	£356,000	£2,572,330
Total Financing	£9,520,000	£356,000	£9,876,000

6. Conclusion

- 6.1 Despite the challenges faced by cuts to funding and ongoing austerity measures, the proposed updated capital programmes have been financed after a prudent assessment of funding options to ensure that value is obtained from these schemes. These projects will allow this Council to continue to support and deliver high quality services through new facilities and assets or to provide a safer environment for the residents of the borough.

General Fund Capital Programme

Appendix A

Scheme	Approved Budget 2016/17 £	Proposed Change £	Revised Budget 2016/17 £
Finance & Civic Affairs			
Purchase of Properties - Camp Hill (AWM)	10,000		10,000
Early Purchase - Camp Hill	505,650	780,000	1,285,650
Abbey Street Development	17,840		17,840
Purchase of Empty Properties to Lease	1,181,000		1,181,000
Valley Farm Refurbishments	150,000		150,000
Units 1 & 2 Gresham Road	610,000		610,000
Oaston Road Cemetery Works	80,000		80,000
Town Centre Improvements	-	200,000	200,000
Arts & Leisure			
Miners Welfare Park Env. Imps & Green Gym	24,820		24,820
Cemetery Land	300,000		300,000
Parks & Open Space Lighting & Security - Netball Courts Pingles	8,000		8,000
Construction & Refurbishment of Footpaths	32,000		32,000
Bedworth CC	250,000		250,000
Skate Park - Dingle	84,000		84,000
Bailey Park - Green Gym & Zip Wire	65,500		65,500
Stockingford Rec -Replacement Tennis Courts	65,000		65,000
Central Services			
Computer Strategy	314,300		314,300
Audi Visual Equipment - Council Meetings	9,000		9,000
Major Repairs	352,650		352,650
Planning & Development			
Nuneaton Market Stall Replacement	13,100		13,100
Harefield Road MSCP - Pay on Foot	80,000		80,000
Bermuda Connectivity Project	500,000		500,000
Relocation of Nuneaton Market Operation	31,350		31,350
Pool Bank Road Garages/ Car Park Works	-	83,000	83,000
Health & Environment			
Vehicle & Plant Replacement	1,503,500		1,503,500
Housing (General Fund)			
Aids & Adaptations to Private Sector Dwellings: (HEART from 1st Oct)	949,000	395,000	1,344,000
Empty Homes & Works in Default	76,580		76,580
Warmer Safer Homes (HEART from 1st Oct)	75,000	75,000	150,000
LPSA2 - Empty Property Loans	148,400		148,400
DECC Scheme	558,810		558,810
DECC Scheme Contingency	20,000		20,000
Other			
Miscellaneous Schemes	66,000		66,000
Total General Fund Capital Budget	8,081,500	1,533,000	9,614,500

Housing Revenue Account Capital Programme

Scheme	Approved Budget 2016/17 £	Proposed Change £	Revised Budget 2016/17 £
Aids & Adaptations	150,000		150,000
Central Heating	1,000,000		1,000,000
CCTV Renewal - GP Flats	150,000		150,000
Decent Homes	2,500,000		2,500,000
District Heating Works	50,000		50,000
Door Entry System	185,000		185,000
Environmental Works	125,000		125,000
Fire Safety Works	196,000		196,000
Garages	100,000		100,000
Housing Management System	375,000		375,000
Individual Refurbishment Works	65,000		65,000
Level Access Showers	400,000		400,000
Lift Renewal Works	15,000		15,000
New Build Homes	94,000		94,000
PIR Electrical Works	345,000		345,000
Roof Coverings/ Modifications	690,000		690,000
Scooter Housing	25,000		25,000
Shed Door & Roof Renewals	50,000		50,000
Slabs to Tarmac	150,000		150,000
Sheltered Alarm Call System	150,000		150,000
Soil Stack Renewals	20,000		20,000
Structural/ Concrete Repairs	1,150,000		1,150,000
Vehicle Replacements	100,000	356,000	456,000
Voids	200,000		200,000
Windows & Doors	850,000		850,000
Capital Salaries	285,000		285,000
Contingency	100,000		100,000
Total Housing Revenue Account Capital Budget	9,520,000	356,000	9,876,000